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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

G.O. No.
B.P. No.

2059

Press
Mis.

Dated

20-6-1877 197 .

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GOVERNMENT OF MADRAS.
REVENUE DEPARTMENT.

20th June 1877 No. 2,059.

No. 446. Proceedings of the Board of Revenue, dated 13th June 1877,
No. 2,50.

Read G.O., dated 31st May 1877, No. 858, Revenue Department.

The foregoing Government Order will be communicated to the Collector of Coimbatore, and he will be requested to call upon the renters to state whether they accept the terms approved by Government, viz., that the demand for payments to make up the guarantee for the second half of Fasli 1286 be foregone, and that for Fasli 1287 they shall pay on issues only, prices being reduced by 4 Annas or to a maximum of Rupees 3-8-0 for 30° under proof and by 6 Annas or to a maximum of Rupees 3-14-0 for 20° under proof.

2. But before communicating to the Collector of Salem the orders of Government as regards that district, the Board respectfully beg to point out the effect and to request a reconsideration of the order. The terms approved are in Coimbatore equitable and proper, but in Salem the result will be that a considerable portion of the revenue will be credited to Government revenue will be presented to the renters, whose profits on the whole contract will, making full allowance for depression of present and uncertainty of future prospects, reach a rate higher than is necessary or expedient.

3. The great reduction of price which Messrs. Wilson brought into effect in November last has not been continued. The Board believe that from about the beginning of May the prices have again been raised so as to make the average selling price Rupees 4 as suggested by the Board. At this price Messrs. Wilson and Co.'s profit will be about 6 Annas a gallon. Assuming the sales of Fasli 1287 at 105,000 gallons, which seems to the Board safe, the sales for the three years will be 280,000 gallons, and the duty thereon (at Rupees 2-6-9) Rupees 6,78,160. The Board proposed that the renters should pay in addition half the deficit on the guarantee for the second half of Fasli 1286 and for Fasli 1287 that they should guarantee Rupees 2,93,500, or in other words that they should pay in all Rupees 7,77,509. Government now direct that they shall pay duty only on Rupees 6,78,160, the difference Rupees 99,349 being thus remitted.

Duty, actual, Fasli 1285	Rs. 2,50,063
Do. Fasli 1286 first half	1,03,832
Do. second half of Fasli 1286, on estimated sales 37,130 gallons, at Rupees 2-6-9.	89,928
Half excess to make up guaran- tee (170,500 - 89,928)	*40,286
Guarantee for Fasli 1287	2,93,500
Total	7,77,509

* In the previous Proceedings the Board stated this amount at Rupees 38,000. The reason of the difference is that, in default of information, they assumed the sales of the year 80,000 gallons to be equally distributed. With the present information they estimate 42,870 gallons in the first half and 37,130 in the second. Hence the increase in the payment to make good half excess of guarantee.

pay duty only on Rupees 6,78,160, the difference Rupees 99,349 being thus remitted.

4. The Board submit that there is no necessity to make so large a concession, at least at present as will be seen from the following estimate of the profit which the renters will make on the terms supposed:—

	Gallons.	Rates of Profit.	Amount.
		RS. A. P.	RS.
Fasli 1285—Sales	95,234	0 12 7	98,233
Fasli 1286—Sales at unreduced prices, Jly to October	29,588		
Sales at about Rupees 3-12-0, November to April (34,081+5,437)	39,518	0 2 0	4,940
Sales at Rupees 4, May and June	10,874	0 6 0	43,452
Fasli 1287—Estimated sales	105,000		
	280,214	0 8 5	1,46,625

5. If, however, Rupees 99,349, which on the Board's amended estimate they will have to pay, be taken from this, they will be left Rupees 47,276, or 2 Annas 8 Pies per gallon. This may be considered too low a rate, though considering all the circumstances the Board do not think the renters need complain if it were enforced. As, however, Government think that the Board's proposal does not go far enough, they suggest that the renters be excused the payment to make up the guarantee for the second half of Fasli 1286, estimated at Rupees 40,276. This would leave the renters profit on the whole lease, amounting to Rs. 1,06,349, or Annas 6 Pie 1, and they would be required to regulate prices in Fasli 1287 as already proposed and to pay a guarantee of Rupees 2,93,500 for that year.

6. As for Tanjore the Collector's report for the year has been received since the Board wrote, and the statistics of the rent for Fasli 1285 are analyzed in the enclosed memorandum. The results as to charges and prices differ a good deal from those stated by Mr. Dalyell. He gives the cost and charges (ex duty) Rupees 1-2-4, average selling price Rupees 3-7-6, and margin for renters and retailer's profit 5 Annas 2 Pies. The true results, however, are (taking both strengths together) charges Rupees 1-2, average selling price Rupees 3-3-4, and margin for renter and retailer 9 Annas 3 Pies. The average price of 30° under proof was Rupees 3-12-10 (to a maximum of Rupees 4), and there seems reason to believe that enhancement of prices, supposing 30° under proof to have been the strength in

* Mr. Dalyell gives the average price in 1874-75 as Rupees 3-8-0; but the strength to which this refers is not stated.

price of the dearer arrack at any rate; but there is little time now to introduce changes before the beginning of the fasli.

7. The consumption in Tanjore is extremely low, but the figures do not indicate the presence of smuggling to any large extent, nor that the low consumption is due to mismanagement. The only point in which they seem to have failed is in opening sufficient shops. The sanctioned number is 1,022; the maximum number open in any month of the year was 541; the minimum 315; and the average throughout the year only 492. The fluctuations in the monthly sales closely follow those in the number of shops open, and it is evident that systematic management in view to the development of the consumption and revenue must be impossible with shops fluctuating from month to month as these have done. The cause is perhaps traceable in the competition of the toddy and the influence of the toddy-renters, and the consequent difficulty which the arrack-renters had in getting men to take engagements from them; but the Collector is requested to inquire and

report fully on the matter, giving also the number of shops open in each month of the current fasli and those ordinarily open under the old rents. The explanation given by the Collector, viz., that the decrease in the shops in the latter months of the year is due to increased price of food-grains, and the heat of the weather is quite insufficient.

8. The principal criteria of abkari management have been stated in the Board's Proceedings of 21st March, and the figures for the Tanjore rent are shown in the margin. On the whole the management is economical as indeed by results in other districts; the outlay in establishment is fair; and the allowance to retailers sufficient.

Average balance of stock per cent. of sales 12-7.	RS. A. P.
Fixed capital per gallon sold ...	0 5 0
Establishment per gallon sold ...	0 5 1
Do. per shop open ...	40 9 5
Cost of distribution per gallon sold ...	0 1 3
Total charges other than duty, interest, and vendor's commission ...	0 15 10
Vendor's remuneration ...	0 4 10

9. It will be noticed from the analysis of the selling prices given in the memorandum that while the maximum price of 60° under proof liquor leaves only 3 Annas 9 Pies to be divided between the renter and shopkeeper, of which the former gets only 2 Pies, the selling price of 30° under proof, which is less than the maximum by 3 Annas 2 Pies, leaves for division 12 Annas 8 Pies, of which the renter gets 7 Annas 1 Pie. This shows at once the truth of the Board's remarks in paragraph 14 of their Proceedings of 21st March as to the effect of the method adopted in adjusting the prices of the different strengths as compared with those of 30° under proof, and makes it clear that the price of 60° under proof at any rate cannot be lowered in Tanjore. The 60° under proof is of the two, the least remunerative to the renters, and since they have been issuing it in less quantity (Bard's Proceedings, 21st March, paragraph 26) they seem to have found this out.

10. The Board proceed to estimate the sales for Fasli 1286 and Fasli 1287 and the result to the contractors of the enforcement of the original contract, or the agreement now in force, and of the plan of permitting continuance of payment on issues only. The issues in the first three quarters of Fasli 1286 are given in the margin, in comparison with the total sales for the same period in Fasli 1285. (The Board compared with the sales rather than the issues of Fasli 1285, because the issues in the first year of the rent had to exceed those of the second, in view to provide the balance necessary for working.) The quantity 60° under proof being much less, the total number of gallons is less than in Fasli 1285, but it is remarkable that whereas the equivalent in gallons 30° under proof of the issues of Fasli 1286 is 40,503 gallons, that of the sales of Fasli 1285 is 41,072 gallons, showing scarcely any decrease in Fasli 1286 in the consumption of absolute alcohol. The Tanjore District has not suffered as much as others from famine, and it is not unlikely that the supply of toddy having been diminished owing to draught, the consumption of arrack has been stimulated. It seems to the Board safe to estimate the sales for Fasli 1286

Issues.	30° under proof.	60° under proof.	Total.
	GALLONS.	GALLONS.	GALLONS.
July 1876...	4,196	1,645	5,841
August " ...	3,941	573	4,514
September " ...	3,631	871	4,502
October " ...	3,646	1,340	4,986
November " ...	2,998	680	3,678
December " ...	2,785	250	3,045
January 1877...	5,073	1,660	6,733
February " ...	4,928	1,709	6,637
March " ...	3,751	981	4,732
	34,949	9,719	44,668
July 1875 to Mar. 1876, Sales ...	30,161	19,094	49,255
Total, Fasli 1284.	38,690	23,705	62,395
Estimated, Fasli 1286	44,830	12,959	57,789

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The Board

at 57,790 gallons as shown above, of which $(\frac{38,690 \times 34,949}{30,161}) = 44,831$ gallons will be 30° under proof and $(\frac{1}{3} \times 9,719) = 12,999$ gallons 60° under proof. The equivalent in gallons 30° under proof is 52,235 gallons, almost the same as for the sales of Fasli 1285.

11. The payment of duty and the contractor's profit for the three faslis will then be as follows:—

	Quantity	Duty.		Profit.	
		Rate.	Amount.	Rate.	Amount.
Fasli 1285	30° under proof ...	38,690	1 15 1	74,981	0 7 1
	60° do. ...	23,708	1 1 6	25,934	0 0 2
		62,398	1 9 10	1,00,815	0 4 5
Fasli 1286	30° under proof ...	44,831	1 15 1	86,882	0 7 1
	60° do. ...	12,959	1 1 6	14,177	0 0 2
		57,790	1 12 0	1,01,059	0 5 6
Fasli 1287 as in Fasli 1286		57,790	1 12 0	1,01,059	0 5 6
	Grand Total ...	177,977	1 11 3	3,02,933	0 5 2

12. The contractor originally guaranteed Rupees 1,80,000 a year; so that if the original contract were enforced, he would probably have to pay Rupees 2,37,067 to make good guarantee, and would have lost Rupees 1,79,729 on the whole contract.

On the existing agreement, viz., full guarantee for the last eighteen months of the lease it may be estimated that the renter will have to pay Rupees 1,18,534 to make up the guaranteed revenue, and his loss would be Rupees 61,196.

If he continues to pay on issues and is not required to make up any guarantee, he will make a profit of Rupees 57,333.

13. The Board have already noticed, however, that the price of 30° under proof liquor in Tanjore has been enhanced; and as the contractor will make a very respectable profit if he is allowed to continue to pay on issues only, they think it might be made a condition of the concession that the price of 30° under proof shall be reduced by 4 Annas a gallon that of 60° under proof which won't stand reduction remaining unchanged. The maximum price which is Rupees 4 should be fixed at Rupees 3-12-0; but the contractor should be informed that he is to reduce the average retail price of 30° under proof to Rupees 3-8-0 or Rupees 3-9-0, i.e., that his average price to the shopkeepers should be about Rupees 3-4-0. If this be done, a sum equivalent to 44,831 gallons at about 3 Annas a gallon or Rupees 8,406 will be taken from the contractors' profits and about a third of this sum from the shopkeepers' remuneration. The contractor would still be left nearly half a lakh of rupees as profit on the whole rent and will be very liberally treated.

14. The Board respectfully request very early orders on these Proceedings as the fasli is almost over.

(True Extract.)

(Signed) H. E. STOKES,
Secretary.

MEMORANDUM

Tanjore.

The renters were Muddanna and Nanjappa Row. 2. The guaranteed revenue was Rs. 1,80,000 and minimum prices were as follow:—

	Duty.
	Rs. A. P.
30 U. P.	2 0 0
60 U. P.	1 2 0

mbatore. and the rates of duty and maximum and

Sum	Minimum
Rs.	Price.
A. P.	Rs. A. P.
0 0 0	0 0 0
4 0 0	1 12 0

The following shows the stock accounts, the duties being reduced to 30 U. P.:—

	Distillery.	Depots.	Shops.
	Rs.	Rs.	Rs.
Manufactured and received ...	939	56,475	52,375
Issued and sold ...	4,475	52,375	52,238
Wasted ...	996	1,214	...
Balance ...	4,471	53,619	...
	4,468	2,856	137

The average balance throughout the year was 662 gallons at 30 U. P. and exceeded the average monthly sales. The per-centage to sales in the year was 12.7.

The particulars of issues, &c., in depots and shops are shown below for the several strengths:—

	Depots.		Shops.	
	30 U. P.	60 U. P.	30 U. P.	60 U. P.
Received ...	41,417	3,377	38,787	23,779
Issued and sold ...	38,787	3,779	38,688	23,707
Wasted ...	866	661	...	...
	39,653	24,440	...	...
	1,754	1,937	99	72

The wastage was thus at the rate of 2.08 per cent. on 30 U. P. and 2.5 per cent. on 60 U. P. and 2.25 per cent. on both strengths; whereas 5 per cent. is allowed free of duty. In other words, the true duty on 30 U. P. was Rs. 1-15-1 per gallon, on 60 U. P. Rs. 1-1-6, and on both strengths Rs. 1-9-10 instead of Rs. 2, Rs. 1-2-0, and Rs. 1-10-7, respectively. There were 33 depots. The average balance in the shops is very small. The average daily sale is 35 gallon per shop, and the balance remaining averages 37 gallon per shop. Thus the shop-keepers retained barely a day's supply. This indicates either extreme facility of supply from depots, or other sources whence the shop-keepers can obtain spirits. There was one depot to every 15 shops, taking the number open on the average of the year; and the average distance of a shop from a depot was 5½ miles, computing from the area.

In the following statement the issues and sales of the two strengths and retail prices are shown monthly:—

	SALES.			PER-CENTAGE OF EACH STERNOTH.			PER-CENTAGE OF SALES MONTHLY.			AVERAGE RETAIL PRICE.		
	30 U. P.	60 U. P.	Total.	30 U. P.	60 U. P.	Total.	30 U. P.	60 U. P.	Total.	30 U. P.	60 U. P.	Both.
July	2,030	1,199	3,229	4,269	306	4,575	92.1	7.9	99.9	3 15 8	2 7 10	2 13 5
August	2,213	3,982	6,195	5,613	2,843	8,456	58.3	41.7	100.0	3 15 5	2 3 7	3 9 1
September	2,495	3,415	5,910	5,424	3,076	8,500	43.3	56.7	100.0	3 15 7	2 3 8	2 15 9
October	2,774	1,973	4,747	6,187	2,494	8,681	59.4	40.6	100.0	3 10 10	2 3 9	3 2 1
November	2,881	1,235	4,116	4,857	1,650	6,507	60.0	40.0	100.0	3 11 0	2 3 10	3 2 2
December	3,004	2,493	5,497	5,944	2,282	8,226	61.6	38.4	100.0	3 12 8	2 3 10	3 2 3
January	3,208	1,971	5,179	5,548	2,333	7,881	59.3	40.7	100.0	3 12 7	2 3 10	3 2 8
February	3,476	2,753	6,229	5,961	2,036	7,997	55.2	44.8	100.0	3 12 1	2 3 10	3 1 5
March	2,532	1,558	4,090	4,353	1,675	6,028	60.6	39.4	100.0	3 12 5	2 3 11	3 2 9
April	3,957	1,454	5,411	4,234	1,406	5,640	66.8	33.2	100.0	3 12 7	2 3 10	3 4 3
May	2,960	1,502	4,462	4,553	1,530	6,083	67.1	32.9	100.0	3 12 6	2 3 11	3 4 5
June	41,417	26,317	67,734	62,395	23,705	86,100	62.0	38.0	100.0	3 12 10	2 3 9	3 5 4

The sales do not show great falling off until the month of April contrary to the experience of other districts, where the fall sets in February, when the palmyra toddy season begins. The reason is partly that most of the toddy in Tanjore is obtained from coconut trees, and is got

throughout the year (though not from the same tree)

	Rs.		Rs.
July	315	March	529
August	507	April	494
September	509	May	473
October	541	June	460
November	517		
December	508	Average	492
January	534		
February	527		

chiefly consumed in the district. As to prices it was found that the maximum prices allowable were closely adhered to in the second quarter, but the prices were again raised in the third quarter, so that the prices were again raised above the maximum rate, doubtless, that the lowest price at which 30 U. P. was sold was Rs. 2 at the close of the year; the latter liquor or within a few pices of it; but the stronger liquor only, Tanjore, at the maximum rate. The U. P. Rs. 3-12-10 and for 60 U. P. Rs. 2-3-4.

The consumption, &c., statement calculated in reference to the average number of shops open in each taluk in the year is annexed. The density and character of the population, the proportion of shops to area is insufficient. The average sales per shop are fair in all taluks, except in Annam and Tritrapundi; and, on the whole, the figures do not indicate any extraordinary prevalence of illicit practices. The chief cause of the consumption being low, notwithstanding the existence of several large towns, is the great quantity of toddy which is produced and used.

The renter's financial statement is as follows:—

Depreciation at 12 per cent. on Rs. 19,416	Rs. 2,330
fixed...	49,520
Cost of liquor	5,315
Distribution	
Establishment—	15,641
Inspecting, &c.	4,329
Office and management	19,970
Excise duty...	1,06,883
Received from shop-keepers for liquor.	1,84,018
for 30 U. P.	1,33,998
for 60 U. P.	47,763
Loss	2,257

Adding, however, Rs. 15,706, being the value of liquor, &c., in stock (Rs. 10,000) and the duty on liquor in depots (Rs. 5,706), the renters return a profit of Rs. 13,449 as the result of the year's working.

The depreciation, however, should be reduced to 6 per cent. For the sum entered as cost of liquor, a quantity equal to 75,939 gallons at 10 U. P. was made and the average at that strength may, therefore, be stated at 10 annas pices, a very moderate rate, especially as it includes wastage. The cost of the liquor issued may be put at Rs. 40,000, and hence the average cost per gallon issued comes to 4 annas 6 pices and the cost of 60 U. P. to 10 annas 10 pices. The distribution of the retail selling price of each liquor under each establishment is, therefore, as shown in the margin.

	30 U. P.	60 U. P.	Both.
Depreciation	0 0 4	0 0 4	0 0 4
Cost of liquor	0 10 5	0 7 10	0 9 6
Distribution	0 1 3	0 1 3	0 1 3
Establishment—			
Inspecting	0 4 0	0 4 0	0 4 0
Office, &c.	0 1 1	0 1 1	0 1 1
Duty	1 15 1	1 1 6	1 9 10
Renter's profit	0 7 1	0 0 2	0 4 6
Shop-keepers' remuneration	3 7 3	2 0 2	3 14 6
	6 5 7	0 3 7	0 4 10
	3 12 10	2 3 9	3 3 4

expense on a gallon of liquor (excise duty and renter's profit) is the remarkable result above arrived at is the very small amount who get more out of the selling price on the average than the renters themselves.

MADRAS,
13th June 1877.

(Signed) H. E. STOKES,
Secretary.

On June 1877.

Talucs.	Population.	Area in Square Miles.	Average Number of Shops open during the Year.	Consumption.		Consumption per Head.	SALES PER SHOP.		Squares to one.
				Quantity in actual Gallons.	Amount.		Quantity in Gallons.	Amount.	
Tanjore...	243,791	625	83	13,809	Rs. 65,145	.05	226.6	Rs. 797	
Mannargudi...	161,725	300	44	4,709	13,714	.03	107.0	289	
Negapatnam...	200,134	243	55	9,411	33,304	.05	278.8	981	
Mayas...				15,733	50,076	.06	131.0	41	
Cumbacoona...	339,493	841	120	1,103	3,218	.01	45.95	184	
Tetrapundi...	154,878	336	24	1,778	5,597	.02	58.5	200	
Sheelli...	108,706	170	28	2,954	7,961	.01	73.8	199	
Pattinotta...	238,245	945	40	2,103	5,156	.01	39.86	80	
Nannilam...	205,051	294	64	62,395	2,00,127	.03	120.82	407	
Total...	1,975,042	3,739	493						

(Signed) H. E. STOKES, Secretary.

Imprad without view of the Upper - but my colleagues & Mr. Dalzell have had several expenses in their matter & I thought suitably depend to this opinion on the policy. I admit that some consequences have been by us - but cannot times to any further comparison & putting depend from this apparently to be in the last party of Sir W. No. 177.

REVENUE DEPARTMENT.

No. 2835

2059
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Dated 13 June 1877.

FOR ORDERS.

~~It is in no way~~
~~not to have the whole~~
~~papers put up. I wrote~~
~~a note on Bds. Prop. March~~
~~21st and have not had~~
~~the advantage of perusing~~
~~my Honble. Colleagues' views.~~
~~The notes are wanting~~
~~in the face of urgent call.~~
~~I do not wish to arrest~~
~~the proceedings by calling~~

for them.

I see no grounds for reconsidering in the case of Salem or Tanjore.

The Board assent to the principle of the Govt. Order in the case of Coimbatore; it applies to all Equitably - and there can be no doubt that it is right. The guarantee cannot be maintained in any case and the proper course is to abandon it frankly in all - All these Estimates are more or less conjectural and action on them too uncertain for Government to accept them.

It may be true that persons who have temporarily raised the price - again under official influence - improperly communicated

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by the Board before Govt. had decided - but it has been only for a short ~~time~~ period and I would order immediate reduction. What we want, in the face of the terrible drain of Cash to get food, is to leave the money in the people's pockets and whether it is taken, the form of taxation (guaranteed revenue) or distiller's profits, the Lakh or so which the Board propose to take is a further drain and we cannot replace it to the people by spending two lakhs.

My advice is, let those who have their two months' profits; to abandon the guarantee for the rest of the year period.

The Board

period the least with last,
and to let the people have
the little comfort & support
as cheaply as we can.

I would tell the Board
to fix the selling price as
low as possible consistently
with some profit to the
distiller & let Contractors
& people alone as much
as possible.

This may look a little
too liberal to tax gatherers
but the facts of our famine
must absolutely justify
liberality to the country
and put out of thought
all chicanery in
the name of

15/6 1702

I concur in the above
opinion, & maintain
the principle of the Bill
of 31. May 79. The Bill
C. 14. June 1799. & the Bill
improperly Commemorative

FOR ORDER

price will come down to the
subvent. & the tax gatherers will
be satisfied by the Bill
I signify my dissent
in saying that the Bill
unwisely would be

No 2059 of 20-6-77

From orders

2059
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His Grace the Governor
or Council has
given due attention
to the Board's re-
quest for recon-
sideration of
order of 31 May
last No 1858 R.D.
as affecting Sales,
but resolved ~~not~~
~~withstanding~~
~~the opinion which~~
~~they have expres-~~
~~sed~~ to adhere
to the principle
herewith affirmed
and desires that
it may be car-
ried out.

The Board

2. It is a condition precedent to the

3. The proposals now made in the case of Tawjore are sanctioned.

20 June 1899

The guaranteed revenue was Rs 180000
a year and the rates of duty
and maximum and minimum
prices were as follows.

	July.	August	Minimum Price
30 U.P.	2-0-0	4-0-0	3-0-0
60 U.P.	1-2-0	2-4-0	1-12-0

3. The following shows the stock accounts, the quantities being reduced to 30 u.p.

	Distributing	experts	Shops.
Manufactures and received } -	<u>75939</u>	<u>56475</u>	<u>52375</u>
Issued and sold.	56475	52375	52238
Wasted	<u>+1701</u> 61470	<u>1</u> 53619	<u> </u>
Balance	14468	2856	137

The average balance throughout the year was 6662 gallons at 30 u.p. and exceeded the average monthly sales

sales. The percentage to sales in the year was 12.7.

The particulars of issues &c in depots and shops are shown below for the several strengths.

	Depots		Shops.	
	30 u.p.	60 u.p.	30 u.p.	60 u.p.
Received	41417	26377	38787	23779
Issued and sold	38787	23779	38688	23707
Wasted	866	661	—	—
	39653	24440	—	—
	1754	1937	99	72

The wastage was thus at the rate of 2.08 percent on 30 u.p. and 2.5 percent on 60 u.p. and 2.25 percent on both strengths; whereas 5 percent is allowed free of duty. In other words the true duty on 30 u.p. was Rs 1-15-1 per gallon; on 60 u.p. Rs 1-1-6 and on both strengths Rs 1-9-10 instead of Rs 2, Rs 1-2-0 and Rs 1-10-7 respectively. There were 33 depots. The average balance in the

the shops is very small. The average daily sale is .35 gallon per shop, and the balance remaining averages .37 gallon per shop. Thus the shopkeepers retained barely a day's supply.

indicates either extreme facility of supply from depots, or other sources whence the shopkeepers can obtain spirits. There was one depot to every 15 shops, taking the number open on the average of the year, and the average distance of a shop from a depot was $5\frac{1}{2}$ miles, computing from the area.

In the following statement the issues and sales of the two strengths and retail prices, are shown monthly.

	Sales		Sales		Percentage		Percent		Average retail price	
	302.0	602.0	302.0	602.0	Total	302.0	602.0	Percent	Average retail price	
July	7030	1199	8229	4269	348	92.1	7.9	7.4	3-15-8 2-7-10 3-13-5	
August	7213	3932	7145	3270	2313	58.3	41.7	7.0	3-15-5 2-8-7 3-8-11	
September	2695	3615	5910	2348	3096	43.3	56.7	6.7	3-15-7 2-8-8 2-15-5	
October	3774	1973	5747	3643	2494	59.4	40.6	7.8	3-10-11 2-8-5 3-10-1	
November	2524	2889	5413	3112	2024	60.6	39.4	6.2	3-10-10 2-3-9 3-1-9	
December	3024	1235	4239	3207	1670	66.0	34.0	7.8	2-11-2 2-3-10 3-3-2	
January	4150	2493	6643	3662	2292	60.6	38.4	7.5	3-12-8 2-3-10 3-3-2	
February	3208	1971	5779	3315	2233	59.8	40.2	8.9	3-12-7 2-3-10 3-2-8	
March	3470	2762	6222	3335	2626	55.9	44.1	9.6	3-12-7 2-3-10 3-1-8	
April	2532	1558	4090	2578	1675	60.6	39.4	6.8	3-12-5 2-3-11 3-2-9	
May	3057	1454	4511	2828	1406	66.8	33.2	6.8	3-12-7 2-3-10 3-4-3	
June	2960	1506	4466	3123	1730	67.1	32.9	7.5	3-12-6 2-3-11 3-4-5	

The sales do not show great falling off until the month of April, contrary to the experience of other districts where the fall sets in February

when the palm-leaf toddy season begins. The reason is partly that most of the toddy in Tanjore is obtained from coconut trees, and is got throughout the year (though not from the same trees), but on comparing the sales with the numbers

of shops ^{open} shown in the

July 315	margin it will be
August 507	noticed that the
September 509	fluctuations in the
October 541	one closely follow
November 517	the changes in the
December 508	
January 534	
February 527	
March 520	
April 494	
May 473	
June 460	
Average 492	

other. The sanctioned shops
number 1022, and on the
average only half of them
were open. This fact and the
continued fluctuations in
the number open show the
difficulties which the renters
have to contend with in
maintaining the competition with
soddy which is the liquor
chiefly consumed in the District.
As to prices it will be noticed
that as regards both liquors
the maximum prices allowable
were closely adhered to. There
was a slight reduction in
the second quarter but the prices
were again raised. In the first
month of the year 60 M.P. was sold
above the maximum rate doubtless
through mistake. The detailed
statement shows that the lowest price

price at which 30 M.P. was sold
was Rs 3-8-0 and the lowest for
60 M.P. was Rs 2. at the close of
the year the latter liquor was sold
retail everywhere at the maximum
price, or within a few pices of it;
but the stronger liquor was sold at
Rs 3-8-0 in five taluks and in one
only, Tanjore, at the maximum rate.
The average price throughout the year
was for 30 M.P. Rs 3-12-10 and
for 60 M.P. Rs 2-3-9.

The Consumption Year Statement calcu-
-lated with reference to the average
number of shops open in each taluk
in the year, is annexed. The consumption
is

is very low, and considering the density and character of the population, the proportion of shops to area is insufficient. The average sales per shop are fair in all taluks except Nannilam and Tritrapundi; and on the whole the figures do not indicate any extraordinary prevalence of illicit practices. The chief cause of the consumption being low notwithstanding the existence of several large towns, is the great quantity of toddy which is produced and used.

The renter's financial statement is

is as follows.

Depreciation at 12% on Re 19416	
fisced	2330
Cost of liquor	49500
Distribution	5315
Establishment	
Inspecting fees	15641
Office & management	4329
	19970
Excise duty	106883
	184018
Received from shopkeepers	
for liquor — { for 30 uo.	133998
	60 uo. 47763
	181761
Loss	2257

adding however Re 15706 being the value of liquor &c in stock (Re 10000) and the duty on liquor in depots (Re 5706) the renters return a profit of Re 13449 as the result of the years working.

The depreciation however should be

be reduced to 6 per cent. For the sum entered as cost of liquor, a quantity equal to 75,939 gallons at 30 U.P. was made and the average at that strength may therefore be stated at 10 As 5 pies a very moderate rate, especially as it includes wastages.

The cost of the liquor issued may be put at Rs 40,000 * and hence the average cost per gallon issued comes to 9 as 6 pies, and the cost of 60 U.P. to 7 Rs 10 pies. The distribution of the retail selling price of each liquor under each head is therefore as shown in the Margin -

* Depreciation	30 U.P.	60 U.P.
	0-0-4	0-0-0
Cost of liquor	0-10-5	0-7-1
Distribution	0-1-3	0-1-1
Establishment - Inspecting	0-4-0	0-4-0
Office &	0-1-1	0-1-1
Duty	1-15-1	1-1-1
Renters profit	0-7-1	0-0-0
	3-7-3	2-1-1
Shopkeepers remuneration	0-5-7	0-3-1
	3-12-10	2-3-1

The

The cost of distribution is low, and that of establishment also. It is probable that some of the depot establishment which ought to be charged to distribution is included under Establishment for inspecting and collecting. The renter gets only 2 pies per gallon, out of the selling price of 60 U.P. liquor.

1 pie, out of that of 30 U.P. liquor. 6 pies on both taken together, expense on a gallon of liquor & profit) Rs 1-0-2 only, Quantity in actual gallons

The most remarkable result arrived at is the very fair remuneration allowed to the retailers, who get more out of the selling price on the average of both liquors than the renters themselves.

Revenue Board Office
Madras, 13th June 1877-

H. H. Stokes
Secretary

N^o 2750.

Revenue Department.

Proceedings of the Board of Revenue.

Dated 13th June 1877.

Read G.O. 31st May 1877 & 1858 R.D.

The foregoing R.D. will be commu-
-nicated to the

& he will be requested to call upon the
renters to state whether they accept the
terms approved by the Govt viz: that
the demand for payments to make up
the guarantee for the second half of
F. 1286 be fore gone, & that for F. 1287
they shall pay on issues only, prices
being reduced by 4 annas or to a
maximum of Rs 3-8-0 for 30 U.P. &
by 6 annas or to a maximum of Rs 3-14-0
for 20 U.P.

2. But before communicating to
the Collector of Salem the order of Govt
as regards that District, the Board
respectfully beg to point out the effect
& to request a reconsideration of the order.
The terms approved are in Coimbatore
equitable

equitable & proper, but in Salem the result will be that a considerable sum which ought to be credited to Govt. revenue will be presented to the renters, whose profits on the whole Contract will, making full allowance for depression of present price prospects, reach a rate higher than is necessary or expedient.

3. The great reduction of price which Messrs Wilson brought into effect in November last, has not been continued. The Board believe that from about the beginning of May the prices have again been raised so as to make the average selling price Rs 4 as suggested by the Board. At this price Messrs Wilson & Co's profit will be about 6 as a gallon for 2 m. Assuming the Sales of F. 1287 at 105,000 gallons, which seems to the Board safe, the sales for the three years will be 280,000 gallons, & the duty thereon

Duty actual F. 1285 250063
 Do ... F. 1286 first half 103832
 Do 2^d half of F. 1286 on
 estimated Sales 37130
 gallons at Rs 2-6-9 89928
 Half excess to make up
 guarantee, $\frac{(170500-89928)}{2}$ 40286
 Guarantee for F. 1287. 777509

* In the previous Pw's the B^d stated this amount at Rs 38,000. The reason of the difference is that, in default of information they assumed the Sales of the year 8000 gallons to be equally distributed. With the present information they estimate 42,870 gal in the first half & 37,130 in the second. Hence the increase in the payment to make good half excess of guarantee.

duty only on Rs 67,816; the difference Rs 99,349 being thus remitted.

4. The Board submit that there is no necessity to make so large a concession at least at present

thereon (at Rs 2-6-9) Rs 67,816. The Board proposed that the renters should pay in addition half the deficit on the guarantee for the second half of F. 1286 & for F. 1287 that they should guarantee Rs 29,350; or in other words that they should pay in all Rs 777,509. Govt. now direct that they shall pay

as will be seen from the following estimate of the profit which the renters will make on the terms supposed:—

	gallons	Rates of profit	Amount
F. 1285. Sales	95234	0-2-0	19046
Prices July to October	29058	0-2-0	5811
Sales at about Rs 3-12-0			
Sept to April (34081 + 5437)	39518	0-2-0	7903
Sales at Rs 4 May & June	10874	0-2-0	2174
F. 1287. Estimated Sales	105000	0-6-0	63000
	280214	0-8-5	14662

5. If however Rs 99349 which on the Board's amended estimate they will have to pay be taken from this, they will be left Rs 47276, or 2as 8p. per gallon - This may be considered too low a rate, though considering all the circumstances the Board do not think the renters need complain if it were enforced. As however Government think that the Board's proposal does not go far enough, they suggest

suggest that the renters be secured the payment & make up the guarantee for the second half of Insli 1286. Estimated at Rs 4,215. This would leave the renters profit on the whole lease amounting to Rs 106,349 or as 6 1p. & they would be required to regulate prices in F. 1287 as already proposed & to pay a guarantee of Rs 29,350 for that year.

b. As for Tanjore the Collector's report for the year has been received since the Board wrote & the statistics of the rent for F. 1285, are analyzed in the enclosed memorandum. The results as to charges & prices differ a good deal from those stated by Mr. Dalrymple, he gives the cost & charges (ex duty) Rs 1-2-4, average selling price Rs 3-7-6, & margin for retailer and dealer's profit 5 as 2p. The true results, however, are (taking both strengths together) charges Rs 1-0-2, average selling price Rs 3-3-4, and margin for

price of 30 Up was the 5-12-10. & there seems reason to believe that enhancement of prices supposing 30 Up. have been the strength in vogue under the old, & has taken place in Tanjore to the extent of 4 or 5 as a gallon. It would seem, therefore, advisable to try a reduction

Mr. Dalrymple gives the average price in 1876-7 as Rs 3-8-0, but the strength is which then refers is not stated

of price, of the dearest arrack at any rate, but there is little time now to introduce changes before the beginning of the Inshi.

7. The consumption in Tanjore is extremely low, but the figures do not indicate the presence of smuggling to any large extent, nor that that low consumption is due to mismanagement. The only period in which they seem to have failed is in opening sufficient shops. The sanctioned number is 1022; the maximum no. open in any month of the year was 541; the minimum 315; the average throughout the year only 492. The fluctuations in the monthly sales closely follow those in the number of shops open, & it is evident that systematic management in view to the development of the consumption & revenue must be impossible with shops fluctuating from month to month as these have done. The cause is perhaps traceable in the competition of the toddy & the influence of the toddy renters & the consequent difficulty which the arrack renters had in getting men to take engagements from them; but the Collector is requested to enquire & report fully on the matter giving also the no. of shops open in each month of the current Inshi & those ordinarily open under the old rules. The explanation given by the Collector viz that the decrease in the shops in the latter months of the year is due to increased price of food grains and the heat of the weather is quite insufficient.

8. The principal criteria of abkarni management have been stated in the Board's Proceedings of 21st March and the figures for the Tanjore rent are shown in the margin. On the whole the

average balance of stock		whole the
percent of sales	12.7	management
Fixed capital per gallon sold	0-5-0	is economic
Establishment - per gallon sold	0-5-1	cal as judged
shop open	40-9-5	by results in
other districts		
Contribution per gal.		the outlay in
in sold	4-0-3	establishment
Total charges other than		is fair; and
rent, interest & rent		the allowance
Commission	0-0-15-10	to retailers
Rentor's remuneration	0-0-10-10	

sufficient.

9. It will be noticed from the analysis of the selling prices given in the memorandum, that while the maximum price of 60 K.P. liquor leaves only 300 g. to be divided between the renters.

renter and shopkeeper, of which
 the former gets only 2 piers, the
 selling price of 30 U.P. which
 is less than the maximum
 of 500 up to, loaned, for divisions
 12 as 8 p of which the renter gets
 4 as 1 p. This shows at once
 the truth of the Board's remarks
 in para 14 of their Proceedings
 of 1880 Branch as to the effect
 of the method adopted in
 adjusting the prices of the dif-
 ferent strengths as compared
 with those of 30 U.P. and makes
 it clear that the price of 60 U.P.
 at any rate cannot be main-
 tained in Saigon. The 60 U.P. is,
 of the two, the least remuner-
 ative to the renter and

and since they have been
 issuing it in less quantity
 (Board's Proceedings 27th
 Branch para 26) they seem
 to have found this out.

10. The Board proceed
 to estimate the sales for J.
 1280 & J. 1287 and the result
 to the contractors of the enforce-
 ment of the original contract,
 of the agreement now in force,
 and of the plan of permitting
 continuance of payment on in-
 surance only. The issues in the first

Issues	30 U.P. Sales	60 U.P. Sales	Total Sales	three quar- ters of J. 12
July 1876	4196	1645	5841	given in the
Aug. -	3941	573	4514	margin, in
Sept. -	3631	871	4502	comparison
Oct. -	3040	126	3166	with the total
Nov. -	2998	680	3678	sales for
Dec. -	2985	260	3245	the same
Jan. 1877	5073	1660	6733	period
Feb. -	4928	1709	6637	
March -	3751	981	4732	
July 1875 to March 1876	34949	777	44668	
Total Sales	30161	19094	49255	
Estimated	38690	23705	62395	
J. 1286	44830	12959	57789	

period in F. 1285. (The Board
compare with the sales
rather than the issues of
F. 1285, because the issues
in the first year of the rent
had to exceed those of the
second, in view to provide
the balance necessary for
working.) The quantity
of U.P. being much less,
the total number of
gallons is less than in
F. 1285 but it is remark-
able that whereas the
equivalent in gallons 30
U.P. of the issues of
F. 1285 is 40583 gallons, that
of

of the sales of F. 1285 is
41072 gallons; showing
scarcely any decrease in
F. 1286 in the consumption
of absolute alcohol. The
Lancashire district has not
suffered as much as others
from famine and it is not
unlikely that the supply of
kiddie having been diminished
owing to drought the con-
sumption of arrack has been di-
minuted. It seems to the
Board safe to estimate the
sales for F. 1286 at 344990 gal-
lons as shown above; of
which $\left(\frac{38690 \times 344949}{30161} \right)$
44831 gallons will be 30000 and

and $(\frac{4}{3} \times 9719 =) 12959$
 fallows to U.P. The equi-
 valent in fallows 30 U.P.
 is 52235 fallows; almost
 the same as for the sales
 of J. 1283

11. The payment of
 duty and the contractor's
 profit for the three sales,
 will then be as follows:

	Quantity fallows	Duty		Profit	
		Rate	Amount	Rate	Amount
Mass. 30 U.P.	38690	1.15.1	74981	0.7.1	17101
60 U.P.	23705	1.1.6	25934	0.0.2	247
	62395	1.9.10	100815	0.4.5	17348
J. 1286. 30 U.P.	44831	1.15.1	86832	0.7.1	19860
60 U.P.	12959	1.1.6	14177	0.0.2	135
	57790	1.12.0	101059	0.5.6	19995
J. 1284 & J. 1286 ...	57790	1.12.0	101059	0.5.6	19995
Grand Total	177975	1.11.3	302933	0.5.2	54338

12. The contractor originally
 guaranteed Rs. 180,000 per year, so
 that if the original contract were
 enforced, he would probably have to pay

Rs 234067 to make good guarantee
 and would have lost Rs 179729
 on the whole contract.

2039
 21
 On the existing agreement, viz
 full guarantee for the last
 eighteen months of the lease it
 may be estimated that the contractor
 will have to pay Rs 118534 to make
 up the guaranteed revenue and
 his loss would be Rs 61196.

If he continues to pay on issues
 and is not required to make up
 any guarantee, he will make a
 profit of Rs 57038.

13. The Board have already
 noticed however that the price
 of 30 U.P. liquor in Tanjore has
 been enhanced; & as the contractor

Contractor will make a very
respectable profit if he is allowed
to continue to pay on issues only,
they think it might be made
a condition of the concession
that the price of 30 U.P. shall be
reduced by 4 annas a gallon
that of 60 U.P. which won't stand
reduction remaining unchanged.

The maximum price which is Rs 4
should be fixed at Rs 3-12-0; but
the contractor should be in-
formed that he is to reduce
the average retail price of 30 U.P.
to Rs 3-8-0 or Rs 3-9-0; i.e. that
his average price to the shop-
keepers should be about Rs 3-4-0.

If

25/2/27
If this be done, a sum equivalent
to 44831 gallons at about 3 annas
a gallon or Rs 8406 will be taken
from the Contractor's profits and
about a third of this sum from
the shopkeepers' remuneration.
The contractor would still be
left nearly half a lakh of ru-
pees as profit on the whole sale,
and will be very liberally
treated.

The Board respectfully request
very early orders on these Proceedings
as the fasli is almost over
(True Extract)

H. K. S. S.
Secretary

To the Secy to Govt. P.D. with a
memo

EM

No 2885 C.1
Received of the
No 2885 C.1
Bonds of the
Bonds of the

Dated 13 June 77
No 2885 C.1

Comrs of the Collyer Combs
for a just 9.00 Bonds can-
-tinued to 1.00 and of
current Bonds of the 1.00
of 1.00 payment in case
of a small insurance
to guarantee in 1.00
-just to certain conditions
to requesting recognition
-tion of the 1.00 and 1.00
to 1.00 for 1.00 and 1.00
1.00 to 1.00 and 1.00

10 June 1877